

**Code of Conduct**  
**For**  
**Prevention of Insider Trading of India Steel Works Limited**

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## Chapter 1

### Introduction

This code shall be known as “Code of Conduct for Prevention of Insider Trading of India Steel Works Limited” (“Code”) made pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### 1.1 Definitions

- (a) “Act” means the Securities and Exchange Board of India Act, 1992;
  - (b) “Board” means a Securities and Exchange Board of India.
  - (c) “Body Corporate” means a body corporate as defined in section 2(11) of the Companies Act, 2013;
  - (d) “Compliance Officer” means Company Secretary of the Company and in his absence any other senior officer, designated so and reporting to the Board of Directors as mentioned in the Regulations.
  - (e) “Connected Person” includes –
    - i. A director of the Company;
    - ii. A Key Managerial Personnel of the Company;
    - iii. An Officer of the Company;
    - iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
    - v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
    - vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
    - vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, allows access to UPSI or is reasonably expected to allow access to UPSI;
- The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI –
- a. An Immediate Relative of Connected Persons;
  - b. A holding company or associate company or subsidiary company;
  - c. An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
  - d. An investment company, trustee company, asset management company or an employee or director thereof;
  - e. An official of a stock exchange or of clearing house or corporation;
  - f. A member of board of trustees of a mutual fund or a member of the Board of Directors of the asset management company of a mutual fund or is an employee thereof;
  - g. A member of the board of directors or an employee, of a public financial institution as defined in section 2(72) of the Companies Act, 2013;
  - h. An official or an employee of a self-regulatory organization recognized or authorized by the SEBI;
  - i. A banker of the Company;
  - j. A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten percent of the holding or interest.

(f) "Dealing in Securities or Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and "trade" shall be construed accordingly.

(g) "Dependent(s)" includes a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

(h) "Designated Employee(s)" shall include

(i) every employee in the grade of General managers and above;

(ii) every employee in the finance, accounts, secretarial, legal and advertising department as may be determined and informed by the Compliance Officer; and

(iii) any other employee as may be determined and informed by the Compliance Officer from time to time.

(i) "Director(s)" means a Director appointed on the Board of the Company.

(j) "Insider(s)" means any person who is:

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information;

(k) "Key Managerial Personnel" means person as defined in Section 2(51) of the Companies Act, 2013.

(l) "Regulations" means SEBI (Prohibition of Insider Trading) Regulations, 2015

(m) "Securities" means Securities of the Company and shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;

1.2 Words denoting the singular shall include the plural and vice versa and words denoting masculine gender shall include reference to feminine or neuter gender.

1.3 Words and expressions used and not defined in this code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

1.4 Unless the context requires otherwise, employee shall mean employee of the Company.

1.5 Compliance Officer

1.5.1 The Compliance Officer shall be responsible for setting forth policies and procedures and monitoring adherence to the rules for the preservation of unpublished price sensitive information, pre-clearing of all Directors/Key Managerial Personnel/Designated Employees and their Dependents trades (through respective department heads, if any), monitoring of trades and implementation of this Code under the overall supervision of the Board of the Company.

1.5.2 The Compliance Officer shall maintain a record of the Designated Employees and any changes made in the list of Designated Employees.

1.5.3 The Compliance Officer shall assist all employees, Directors and Designated Employees of the Company in addressing any clarification regarding Regulations and the Company's Code.

1.5.4 The Compliance Officer shall report to the Board of Directors and shall provide reports to the Chairman of the Audit Committee of the Company, whenever required.

**Chapter 2**  
**PRESERVATION OF PRICE SENSITIVE INFORMATION**

2.1 No Director/Key Managerial Personnel/Designated Employee/Connected person shall communicate, provide, or allow access to any Unpublished price sensitive information, relating to the Company or Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of the Insider's legitimate purposes, performance of duties or discharge of legal obligations or as permitted in the Regulations.

2.2 Need to Know

(i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

(ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

2.3 Limited access to confidential information Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

**CHAPTER 3**  
**PREVENTION OF MISUSE OF 'PRICE SENSITIVE INFORMATION**

3.1 All Directors/ Key Managerial Personnel/Designated Employees/Connected persons of the Company shall be subject to trading restrictions as enumerated below.

3.2 Trading Window

3.2.1 The Company shall specify a trading period, to be called "trading window", for trading in the Company's Securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is unpublished.

3.2.2 When the trading window is closed, the Directors/ Key Managerial Personnel /Designated Employees/Connected persons and their Dependents shall not trade in the Company's Securities in such period except where trading plan has been approved by the Compliance Officer.

3.2.3 The trading window shall be, inter alia, closed at the time of:—

- a) Declaration of financial results;
- b) Declaration of dividends;
- c) Change in capital structure by way of public/rights/preferential issue;
- d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- e) Changes in Key Managerial Personnel; and
- f) Material events in accordance with the listing agreement.

3.2.4 The time for commencement of closing of trading window and re-opening of trading window shall be decided by the Company. However, in any case:

- a) Unless communicated otherwise, trading window will close at least 48 hours before the information referred to in para 3.2.3 becomes public.
- b) The re-opening of trading window shall not be earlier than 48 hours after the information referred to in para 3.2.3 becomes public.

3.2.5 All Directors/Key Managerial Personnel/Designated Employees/Connected person of the Company shall conduct all their dealings in the Securities of the Company only in a valid trading window or as per approved trading plan and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when trading window is closed or where there is no pre-approved trading plan, or during any other period as may be specified by the Company from time to time.

### 3.3 Trading Plan

3.3.1 Trading plan is a plan under which an Insider can trade in Securities even when trading window is closed. It gives an option to Insiders who may be perpetually in possession of Unpublished price sensitive information and enabling them to trade in Securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of Unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the Unpublished price sensitive information came into being.

3.3.2 Every Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

3.3.3 While presenting the trading plan, following points shall be kept in mind:

a) There must be a gap of 6 months between the public disclosure of plan and commencement of trading. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the Insider was to be in possession of the same Unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.

b) In any case, trading will not be permitted between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results.

c) Trading plan shall entail trading for a period of not less than twelve months.

d) Trading plan shall not entail overlap of any period for which another trading plan is already in existence.

e) Trading plan shall set out either the value of trades to be effected or the number of Securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected.

f) Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse.

3.3.4 While granting the approval, the Compliance Officer shall be entitled to seek such express undertakings as he may think necessary to assess and approve the plan.

3.3.5 The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the trading plan. Provided that the implementation of the trading plan shall not be commenced if any Unpublished price sensitive information in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation.

3.3.6 Once the trading plan is approved, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

### 3.4 Pre-clearance of Trades

3.4.1 All Directors/Key Managerial Personnel/Designated Employees and their Dependents who intend to deal in the Securities of the Company shall pre-clear the intended transactions including those of 'Dependent' in the Securities of the Company as per the pre-dealing procedure described hereunder.

3.4.2 Such pre-clearance of trade would be applicable wherever any Key Managerial Personnel/Designated Employee and his/her immediate relatives intends to deal in the Securities of the Company in excess of the minimum threshold limit of market value exceeding Rs. 10,00,000/-. Trades of the Compliance Officer which require pre-clearance in terms of the above shall be approved by the Managing Director of the Company.

3.4.3 An application in "Form I", as prescribed in Chapter 7 of this Code, shall be made to Compliance Officer, after obtaining the approval of departmental head, if any, indicating the estimated number of Securities that Director/ Key Managerial Personnel /Designated Employee intends to deal in and details of depository with which he has a depository account and such other details as may be required by any rule made by the Company in this behalf.

3.4.4 An undertaking in "Form I" shall be executed in favour of the Company by such Director/Key Managerial Personnel/ Designated Employee.

## **CHAPTER 4 OTHER RESTRICTIONS**

4.1 Where any transaction has been approved, the Director /Key Managerial Personnel/ Designated Employee and their Dependents shall execute the order within one week of the clearance of the transaction, and where any transaction has been approved with any additional restrictions, the same shall be executed within the above time in accordance with the additional restrictions specified. If the order is not executed within one week after the approval is given, the Director/Key Managerial Personnel/ Designated Employee must pre-clear the transaction again.

4.2 The Compliance Officer shall have a right to revoke any clearance granted to any transaction or add further additional restrictions to any clearance, before the relevant transaction has been executed.

4.3 In case any transaction has been refused, the Director /Key Managerial Personnel/ Designated Employee and their Dependents shall be free to re-apply for pre-clearance of the transaction, which was refused, to the next higher authority i.e. to Managing Director, if Compliance Officer has refused the transaction.

4.4 All Directors/ Key Managerial Personnel/ Designated Employees who buy or sell any number of Securities of the Company shall not enter into a contra trade or opposite transaction i.e. sell or buy any number of Securities during the next six months following the prior transaction. However, buying of shares pursuant to exercising of stock options and then selling of those shares within a period of six months shall not be deemed to a contra trade provided such trade does not violate the Code and the Regulations.

4.5 No Director/ Key Managerial Personnel/ Designated Employee shall take positions in derivative transactions in the Securities of the Company at any time.

4.6 In case the sale of Securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer/ Managing Director on recommendation of head of department, if any, after recording in writing his/her reasons in this regard provided such relaxation does not violate the Regulations.

However, if a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

## **CHAPTER 5 REPORTING REQUIREMENTS**

5.1 All Directors / Key Managerial Personnel / Designated Employees/Connected persons are required to forward the following details of their Securities transactions to the Compliance Officer.

### 5.1.1 Initial Disclosure

Every Promoter, Key Managerial Personnel, Director of the Company and each of their immediate relatives shall disclose his holding of securities of the company within thirty days of these regulations taking effect as per "Form A" in Chapter 7 of this Code.

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his / her and immediate Relative holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter as per "Form B" in Chapter 7 of this Code.

5.1.2 Continual Disclosures by Promoter, Directors, Designated Employee and their immediate relatives: Every Promoter, Director, Designated Employee of the Company and each of their immediate relatives shall disclose to the Company the number of such Securities acquired or disposed of within two trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Ten Lacs Rupees in "Form C" in Chapter 7 of this Code.

### 5.1.3 Disclosure to the Stock Exchange:

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

### 5.1.4 Disclosures by other Connected Persons:

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per "Form D" in Chapter 7 of this Code at such frequency as he may determine.

Explanation 1: The disclosures of trading in Securities shall also include trading in derivatives of Securities and the traded value of the derivatives shall be taken into account.

Explanation 2: It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this rule, shall be made when the transactions effected after the prior disclosure cross the threshold specified.

5.2 The Compliance Officer shall maintain a record of all the declarations given by all promoters, Directors, employees, Designated Employees and Connected persons for a minimum period of five years.

5.3 The Compliance Officer shall place before the Chairman of Board of Directors or in his absence before the Managing Director, on a quarterly basis all the details of the dealing in the Securities of the Company by the Directors, Designated Employees and Connected Persons received by him and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code, wherever applicable.

## **CHAPTER 6**

### **Penalty for Contravention of the Code**

6.1 Any Director/Key Managerial Personnel/Designated Employee/Connected person who trades in Securities or communicates any information for trading in Securities in contravention of this Code may be penalized and appropriate action may be taken by the Company.

6.2 Directors/Key Managerial Personnel/Designated Employees of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, render ineligible for future participation in employee stock option plans, etc.

6.3 The action by the Company shall not preclude Board from taking any action in case of violation of Regulations.

6.4 In case the Company observes that there has been a violation of these Regulations, the Company shall inform Board.

**CHAPTER 7**  
**Form I**

Date:

To,  
The Compliance Officer  
India Steel Works Limited  
From:  
Name:  
Designation:  
Department:

Through: Head of Department (if any)

With reference to the Code of Conduct for Prevention of Insider Trading of the Company, I, the undersigned, seek your approval to buy/sell as a principal/agent in Equity Shares of the Company, aggregating in value Rs. (approx.)

STATEMENT OF HOLDINGS AT THE TIME OF PRE-CLEARANCE

I. DETAILS OF SHAREHOLDING OF DIRECTOR/ KEY MANAGERIAL PERSONNEL/ DESIGNATED EMPLOYEES HELD IN THEIR OWN NAME

Name & Designation Department No. of Shares Held (with Folio No/DP ID/Client ID)

Nature of Transaction for which Approval is sought

[Purchase/Sell/Others (Pls. Specify)]

No. of Shares to be dealt

Aggregate value of the Transaction (Rs.) (approx.)

II. DETAILS OF SHARES HELD BY DEPENDANTS

Name Relationship No. of Shares Held (with Folio/DP ID/Client ID)

Nature of Transaction for which Approval is sought [Purchase / Sell / Others (Pls. Specify)]

No. of Shares to be dealt

Aggregate value of the Transaction (Rs.) (approx.)

Please tick the appropriate case:

I/We hereby declare that I have not purchased any share in last 6 months ( If approval is sought for selling of shares)

I/We hereby declare that I have not sold any share in last 6 months ( If approval is sought for purchase of shares)

The Shares to be dealt in are allotted under ESOP Scheme of the company and are not subject to lock in period of 6 month.

Signature

Name of Director/Key Managerial

Personnel/ Designated Employee

Name of Department Head

Signature

\*\*In case the sale of securities is necessitated by personal emergency, Director/ Key Managerial Personnel / Designated Employees shall specify the reasons.

Reasons

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Enclosure: Undertaking

**FORMAT OF UNDERTAKING TO BE ACCOMPANIES WITH THE APPLICATION FOR PRE-CLEARANCE UNDERTAKING**

To,  
India Steel Works Limited  
Mumbai

I \_\_\_\_\_ of the Company residing at \_\_\_\_\_ am desirous of dealing in \_\_\_\_\_ \* shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transactions for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within two days of execution of the transactions/ a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within seven days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date:

Signature: \_\_\_\_\_

\*indicate number of shares

**FORMAT FOR PRE-CLEARANCE ORDER**

To,  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Place: \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos.) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transactions / deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction / deal in the securities of the Company.

Further, you are required to file the details of the executed transactions in the attached format within two days from the date of transactions/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For India Steel Works Limited  
COMPLIANCE OFFICER

Date: \_\_\_\_\_